Budget	ETTER	NUMBER: 98-02
SUBJECT: FEDERAL DATA COLLECTION STANDARDS		DATE ISSUED: FEBRUARY 10, 1998
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TO: Agency Secretaries
Department Directors

Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

NOTE: Please distribute to research and data collection staff.

The Office of Management and Budget (OMB) announced revised standards for the classification of data on race and ethnicity for all federal agencies in the October 30, 1997, *Federal Register* notice (attached). The Census Bureau will use the new standards in the 2000 decennial census. These standards will be fully implemented by all federal agencies by January 1, 2003.

State agencies and departments that use census counts of persons by race/ethnic category for planning, analysis, or evaluation may be affected by the new standards. Agencies and departments impacted by federal reporting requirements will be informed of changes to the current requirements as each federal agency phases in the new standards.

The new federal standards require the collection of data on race in five minimum categories: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, and White. There will be two categories for data on ethnicity: "Hispanic or Latino" and "Not Hispanic or Latino." The major change from the prior categories is the separation of the Asian or Pacific Islander category into the categories "Asian" and "Native Hawaiian or Other Pacific Islander." The most significant change to the collection of race data is that respondents are now able to select more than one race category. Definitions are as follows:

- Asian: "A person having origins in any of the original peoples of the Far East, Southeast Asian or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam."
- Native Hawaiian or Other Pacific Islander: "A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands."

- American Indian or Alaska Native: "A person having origins in any of the original peoples
  of North and South America (including Central America), and who maintains tribal
  affiliation or community attachment."
- Black or African American: "A person having origins in any of the Black racial groups of Africa."
- White: "A person having origins in any of the original peoples of Europe, the Middle East, or North Africa."
- Hispanic or Latino: "A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture of origin, regardless of race. The term "Spanish origin," can be used in addition to "Hispanic or Latino."

Section 8310.5 of the California Government Code requires that "any state agency, board, or commission which directly or by contract collects demographic data as to the ancestry or ethnic origin of Californians shall use separate collection categories and tabulations for each major Asian and Pacific Islander group, including but not limited to, Chinese, Japanese, Filipino, Korean, Vietnamese, Asian Indian, Hawaiian, Guamanian, Samoan, Laotian, and Cambodian."

Questions regarding this Budget Letter to Linda Gage, Chief, Demographic Research Unit, Department of Finance, at (916) 323-4086 or e-mail at filgage@dof.ca.gov.

DIANE M. CUMMINS Chief Deputy Director

Attachment